

10-144 DEPARTMENT OF HUMAN SERVICES

BUREAU OF INCOME MAINTENANCE

Chapter 608: PURCHASE OF SERVICE CONTRACTS

Summary: This section describes the conditions and requirements that contract agencies are subject to when entering into a contract with the Bureau of Income Maintenance. This section has been developed to ensure reasonable standards of conduct in the purchase and administration of services supported by state and federal funds under the jurisdiction of the Bureau of Income Maintenance.

Section 1. Purchase of Service Contracts

A. Purpose of Contracting

In order to provide appropriate services for AFDC and Food Stamp recipients enrolled in ASPIRE so they can obtain employment, the Bureau of Income Maintenance enters into purchase of service contract agreements with public and private community agencies.

B. General Contract Agency Requirements

Contract agencies are subject to all of the standards of the following:

1. ASPIRE Program Operations and Management Information System (MIS) Policy Manuals, and any amendments thereto;
2. Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP), unless exempt, effective July 1, 1989, and any amendments thereto;
3. All applicable federal Office of Management and Budget (OMB) Circulars, as described in the contract agreement;
4. The Department of Human Services promulgated exceptions to the OMB Circulars;
5. All rules and regulations governing the applicable state and federal funding sources; and,
6. Other policy manuals, rules and regulations specifically referenced in the contract agreement.

C. General Administrative Policies

The Bureau of Income Maintenance is responsible for administering the employment and training programs for eligible AFDC and Food Stamp recipients. In addition, the Bureau may purchase other special services designed to meet the needs of participants. In this capacity, the Bureau must determine the parameters within which these programs will be operated. At a minimum, the Bureau shall apply the following administrative standards:

1. The Bureau shall purchase services only through a written, signed and approved contractual agreement developed in accordance with the policies set forth in this manual.
2. The Bureau shall purchase services using the following contracting methods:
 - a. Percentage of net allowable expense contracts;
 - b. Fee for service contracts; and
 - c. other methods defined in the contract agreement.
3. The Bureau shall determine the client eligibility criteria and the process for determining such for all Bureau funded services.
4. The Bureau shall define the services which it purchases including acceptable components of and units of measure for each service and maximum fees and unit costs for each service.
5. The Bureau shall monitor contract agencies' compliance with service and fiscal reporting requirements.
6. The Bureau shall monitor service delivery and expense patterns of all contract agencies for compliance with the agreement.
7. The Bureau shall investigate all complaints received by the Bureau regarding service delivery and fiscal practices under all Bureau funded purchase of service agreements.

D. Contract Development and Revision Policies

1. The contract agency shall complete, sign, date and return the contract to the Bureau prior to approval and in accordance with written submission deadlines.

2. The Bureau shall not approve any contract that has not been properly completed and/or signed by an authorized individuals.
3. The Department of Human Services Commissioner, or his/her duly authorized representative, shall give final approval for the contract by signature on the Contract Signature Page.
4. The purchase of service contract shall contain any or all of the following sections depending upon the type of contract issued:
 - a. Standard agreement summary pages;
 - b. Signature pages;
 - c. Description of Services To Be Purchased ("Rider A"); and,
 - d. Payment and Other Provisions ("Rider B").
5. Contract changes may be made by adding to or replacing any or all of these sections, or by adding new riders.
6. Revisions to purchase of service contracts shall be submitted to the Bureau for approval when one or more of the following occurs:
 - a. The total expenses in any one category (total personnel, total equipment, total sub-contract, total all other), is exceeded by ten (10) percent or \$1,000, whichever is greater; or,
 - b. The total budgeted amount of program income as detailed in the contract budget changes by more than ten (10) percent or \$5,000, whichever is greater; or,
 - c. Specific budgeted capital equipment items are substituted by other capital equipment; or,
 - d. There are non-budgeted line items in excess of \$500.
7. Contract agencies may request a budget revision at any time, but such revisions may not be submitted to the Bureau less than thirty (30) days prior to the termination of the contract.
8. Purchase of service contracts shall be amended when the following occurs.

- a. There is a change in the amount of Bureau funds available to the contract; or,
 - b. There is a change in the method by which payment will be made to the contract agency; or,
 - c. There is a change in service delivery method or type of service from that identified in the contract; or,
 - d. The Bureau issues a new or revised policy which repeals one or all of the contract Articles of Agreement.
9. The amendment package shall be submitted for approval through the same process as the original contract.
10. Contract agencies shall, upon request by the Bureau, submit to the Bureau documentation of compliance with any or all purchase of service contract and/or policy manual requirements.

E. Contract Administration and Reporting Requirements

1. Contract agencies with special service contracts shall submit program service and fiscal reports to the Bureau as prescribed in the contract.
2. Contract agencies with employment and training contracts shall report to the Bureau monthly on services delivered to participants in a manner and on a time schedule prescribed by the Bureau.
3. Contract agencies shall submit program expense reports using Bureau prescribed forms in accordance with time schedules established in the contract agreement.
4. Contract agencies shall submit final program expense reports using Bureau prescribed forms. The final expense reports shall be due at the Bureau sixty (60) days after contract termination.
5. Contract agencies shall submit closeout reports in accordance with the requirements of the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) and the Department of Human Services exceptions to the Office of Management and Budget (OMB) Circulars.

F. Contract Reduction, Suspension and Termination

Failure by contract agencies to comply with any of the policy manual and/or contract requirements may result in reduction and/or suspension of contract amounts and/or payments and/or termination of the contract in amounts and time frames determined by the Department at its own discretion.

G. Audit and Settlement

1. Contract agencies shall comply with all the rules and regulations of MAAP, unless exempt, regarding financial reporting and audits.
2. The method of contract settlement shall be stated in the contract.

EFFECTIVE DATE: June 11, 1991

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